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C O N F I D E N T I A L SECTION 01 OF 02 YEREVAN 002806

SIPDIS

DEPT FOR EUR/CACEN

E.O. 12958: DECL: 11/24/13

TAGS: PREL AM GG

SUBJECT: ARMENIA: ONLY CONCERN IS GEORGIA'S STABILITY

- $\P 1.$  (U) Classified by Ambassador John Ordway. Reasons: 1.5 (B)&(D).
- 12. (C) Summary. Following the resignation of Georgian President Shevardnadze, the Armenian leadership and government officials have maintained an official line that the stability of their neighbor is Armenia's paramount concern. Government officials have indicated that they are prepared to work with whomever emerges as the political leader of Georgia. The GOAM worries that continued post-election turmoil and a prolonged political crisis in Georgia could have a substantial negative impact on Armenia's economy. End summary.
- 13. (SBU) In public statements throughout the day, the Armenian leadership has focused on the urgent need to restore order and stability in Georgia following the resignation of President Shevardnadze. In a statement released November 24, President Kocharian called for the "the quick establishment of order and stability in Georgia," and stated he looked forward to developing a "good personal relationship" with the new leaders of the country. According to wire reports, National Assembly Speaker Artur Baghdasarian spoke by telephone with Georgia's Interim President Nino Burjanadze and expressed hope that law and order would soon be established in Georgia. Foreign Minister Vardan Oskanian held a press conference in which he focused on the need to maintain stability throughout the region.
- 14. (SBU) The Ministry of Foreign Affairs Head of the Georgia Desk, Ara Baldayan, informed us that Armenia was only interested in the quick imposition of order in Georgia and that the GOAM was prepared to work with whomever ultimately assumed the leadership of the country. Baldayan declined to respond to questions regarding what contacts have been made between the GOAM and the new Georgian leadership, except to say that the GOAM will remain in contact with the "legitimate authorities."
- 15. (C) Deputy Foreign Minister Tatul Margarian stressed the importance of Georgia's stability to Armenia during the Strategic Dialogue discussions held November 20, before Shevardnadze's resignation. Margarian commented that a continued deterioration of the situation in Georgia could only adversely affect Armenia's economic growth and consequently the GOAM was currently more interested in "stability in Georgia than within our own borders." Margarian said that the GOAM would work with whomever emerged in power in Tblisi, and that "perhaps it is time for change in Georgia." Margarian held out hope for an "elite resolution," which would preferably limit the power of Ajarian leader Aslan Abashidze.
- 16. (SBU) There has been no significant interruption in Armenia's vital trade links through Georgia. According to the Chief Border Guard at the Bagratashen border with Georgia, the primary entry point for all goods coming to Armenia, freight traffic between the two countries is keeping to schedule. After a brief interruption in shipments over the weekend, both trucks and trains have resumed their normal schedules. Reports from private exporting and importing companies confirm that deliveries are leaving and arriving on time.
- 17. (C) Comment. The stability of Georgia is indeed of prime importance to the GOAM. Official government figures indicate that 80 percent of all Armenian trade transited through Georgia in 2002, and the Georgian ports of Poti and Batumi provide Armenia's sole access to European markets. Georgia also provides the land routes connecting Armenia with Russia, its largest trading partner. The GOAM fears any further destabilization of Georgia, whether through a breakdown in central government authority or efforts by regional separatists to take advantage of the ongoing political crisis. The cautious public tone taken by the GOAM underscores the government's desire

not to contribute in any way to the exacerbation of tensions in Georgia particularly given substantial adverse effects on Armenia. While the public appears to share this concern, there is already a lot of private discussion of the potential impact on Armenia's own domestic political life. While Armenia is likely to remain stable and calm, the longer-term impact could be significant— and will certainly be a major factor in the thinking of both President Kocharian and opposition leaders as they continue to jockey for political advantage. End comment.

ORDWAY